

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

EDITH S. TRUETT

Claim No. CU-0553

Decision No. CU 2763

Under the International Claims Settlement
Act of 1949, as amended

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, was presented by EDITH S. TRUETT and is based upon the asserted loss of \$552.00 sustained in connection with the ownership of a participation interest in the Cuban Venezuelan Oil Voting Trust. Claimant has been a national of the United States since her birth.

Under Title V of the International Claims Settlement Act of 1949 [78 Stat. 1110 (1964), 22 U.S.C. §§1643-1643k (1964), as amended, 79 Stat. 988 (1965)], the Commission is given jurisdiction over claims of nationals of the United States against the Government of Cuba. Section 503(a) of the Act provides that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959 for

losses resulting from the nationalization, expropriation, intervention or other taking of, or special measures directed against property, including any rights or interests therein owned wholly or partially, directly or indirectly at the time by nationals of the United States.

Section 502(3) of the Act provides:

The term 'property' means any property, right or interest including any leasehold interest, and debts owed by the Government of Cuba or

by enterprises which have been nationalized, expropriated, intervened, or taken by the Government of Cuba and debts which are a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.

Section 504 of the Act provides, as to ownership of claims, that

(a) A claim shall not be considered under section 503(a) of this title unless the property on which the claim was based was owned wholly or partially, directly or indirectly by a national of the United States on the date of the loss and if considered shall be considered only to the extent the claim has been held by one or more nationals of the United States continuously thereafter until the date of filing with the Commission.

Section 507 of the Act provides, as to assignment of claims, that

(b) The amount determined to be due on any claim of an assignee who acquires the same by purchase shall not exceed (or, in the case of any such acquisition subsequent to the date of the determination, shall not be deemed to have exceeded) the amount of the actual consideration paid by such assignee, or in case of successive assignments of a claim by any assignee.

On the basis of evidence of record, the Commission finds that claimant is, and since prior to November 23, 1959, has been the owner of 200 units of participation in the Cuban Venezuelan Oil Voting Trust (hereafter referred to as "the Trust"). The participation units in question are represented by certificate No. NY29229.

The record discloses that the properties in Cuba owned or controlled by the Trust were nationalized or otherwise taken by the Government of Cuba on November 23, 1959, pursuant to Law No. 635, published on that date. This corporation was organized under the laws of Cuba and does not qualify as a corporate "national of the United States" defined under Section 502(1)(B) of the Act as a corporation or other legal entity organized under the laws of the United States, or any State, the District of Columbia or the Commonwealth of Puerto Rico, whose ownership is vested to the extent of 50 per centum or more in natural persons who are citizens of the United States. In this type of situation, it has been held previously that a stockholder, or the owner of a participation interest in such a corporation,

CU-0553

is entitled to file a claim based upon the securities in question, which represents an interest in the losses sustained by a nationalized enterprise within the purview of Section 502(3) of the Act. (See Claim of Parke, Davis & Company, Claim No. CU-0180, 1967 FCSC Ann. Rep. 33.)

In determining the value of the 200 unit interest owned by claimant in the Trust, the Commission has considered information submitted by officers and stockholders of the Trust, balance sheets for the year ended December 31, 1959, the Trust's annual report for that year, and other evidence of record submitted in this and other claims before the Commission. On the basis of the entire record, the Commission concludes that the dollar loss sustained by the Trust on November 23, 1959 was \$1,106,388.76, and that the loss per unit of participation for each of the 9,247,162 units was \$0.11971, or 11.97 cents. (See Claim of Felix Heyman, Claim No. CU-0412.)

Accordingly, in the instant claim, the Commission finds that claimant, as holder of 200 units of participation in the Trust, suffered a loss in the amount of \$23.94 within the meaning of Title V of the Act, when the properties owned or controlled by the Trust were nationalized or otherwise taken by the Government of Cuba on November 23, 1959.

Claim is also presented for a 5000 unit interest in the Cuban Venezuelian Oil Voting Trust. The certificates in question are Nos. 128552 and 128553.

On the basis of evidence of record, the Commission finds that claimant acquired the above numbered units by purchase on December 19, 1963 for a consideration of \$50.00.

Under the provisions of Section 504(a) of the Act, a claimant is required to establish that the claim for any loss has been continuously owned by a national or nationals of the United States from the date of loss to the date of filing with the Commission. The loss occurred on November 23, 1959. Claimant has not submitted information or evidence to establish the nationality of the owner of the securities on the date of loss, and to establish continuous United States ownership of the securities until the date on which claimant acquired them.

CU-0553

Evidence of record before the Commission discloses that securities of the type subject of this claim were almost entirely owned and traded by persons or firms having addresses in the United States. The Commission has considered whether an inference may be justified that the claimed securities were continuously owned by a national or nationals of the United States from the date of loss to the date on which purchased by the claimant, and, in the absence of evidence to the contrary, has concluded that the securities were continuously so owned. (See Claim of the Executors of the Estate of Julius S. Wikler, Deceased, Claim No. CU-2571.)

The Commission finds that claimant, upon his purchase of the securities, succeeded to the loss sustained by the assignor of the claimed 5000 units, and concludes that she succeeded to and suffered a loss in the total amount of \$50.00 (the price she paid) as a result of the nationalization of the Cuban Venezuelan Oil Voting Trust on November 23, 1959.

The Commission has decided that in certification of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be included at the rate of 6% per annum from the date of loss to the date of settlement. (See Claim of Lisle Corporation, Claim No. CU-0644.)

The Commission concludes, however, that the amount of loss sustained by claimant herein on 5000 units shall be increased by interest thereon at the rate of 6% per annum from December 19, 1963, the date on which claimant acquired this portion of the claim, to the date on which provisions are made for the settlement thereof.

Accordingly, the Commission concludes that the amount of loss sustained by claimant shall be increased by interest thereon at the rate of 6% per annum on \$23.94 from November 23, 1959 and on \$50.00 from December 19, 1963 to the date on which provisions are made for the settlement thereof.

CERTIFICATION OF LOSS

The Commission certifies that EDITH S. TRUETT suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Seventy-Three Dollars and Ninety-Four Cents (\$73.94) with interest at 6% per annum from the aforesaid dates to the date of settlement.

Dated at Washington, D. C.,
and entered as the Proposed
Decision of the Commission

AUG 14 1968

Leonard v. B. Sutton

Leonard v. B. Sutton, Chairman

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

Sidney Freidberg, Commissioner

NOTICE TO TREASURY: The above-referenced securities may not have been submitted to the Commission, or if submitted, may have been returned; accordingly, no payment should be made until claimant establishes retention of the securities or the loss here certified.

The statute does not provide for the payment of claims against the Government of Cuba. Provision is only made for the determination by the Commission of the validity and amounts of such claims. Section 501 of the statute specifically precludes any authorization for appropriations for payment of these claims. The Commission is required to certify its findings to the Secretary of State for possible use in future negotiations with the Government of Cuba.

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision, the decision will be entered as the Final Decision of the Commission upon the expiration of 30 days after such service or receipt of notice, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g), as amended, 32 Fed. Reg. 412-13 (1967).)